

## **EXHIBIT B - MBOH REQUIREMENTS AND TIMELINES**

### **Trustee (TRUSTEE) / Board of Housing (BOH) Shared Tasks or Required Reporting**

#### **Monthly Revenue Account Transfers to Prepay & Special Redemption Accounts**

BOH has a 25<sup>th</sup> of the month deadline to provide the officer's certification letters to TRUSTEE. (Unless the 25<sup>th</sup> is on a weekend in which case the following Monday becomes the deadline.)

TRUSTEE is expected to make the transfers before the end of the same month.

Transfers are not made when Revenue Accounts have insufficient funds for complete transfers – no partial transfers should be made. Transfers should be made at a time when the Revenue Account has a sufficient balance. Sometimes this may take several months when prepay amounts are very high.

TRUSTEE is expected to notify BOH of the accounts/series when the Revenue Account is short and a transfer cannot be made before month end.

TRUSTEE is expected to notify BOH when the transfers are able to be made.

#### **Single Family (SF) Excess (XS) Revenues calculation (transfers must be done Mid to Late August for the June balances and mid to late Feb for the December balances.)**

SF I XS Rev is calculated twice yearly by Trustee and MBOH staff using December 1 & June 1 post debt service balances\*.

SF II XS Rev is calculated once yearly by Trustee and MBOH staff using June 1 post debt service balances\*.

SF XI XS Rev is calculated once yearly by Trustee and MBOH staff using June 1 post debt service balances\*.

\*BOH will provide Foreclosure amounts to back out of Revenue Account balances.

BOH will instruct TRUSTEE as to the amounts and accounts for the transfers. TRUSTEE will confirm calculations and perform transfers by August 29 and February 28th.

#### **Single Family Excess Debt Service & Mortgage Reserves (XS RS) calculation (Mid to Late August)**

SF I, II, XI XS RS is calculated once yearly by Trustee and MBOH staff in August using June 1 post debt service balances.

BOH will instruct TRUSTEE as to the amounts and accounts for the transfers. TRUSTEE will confirm calculations and perform transfers by August 29.

#### **Single Family Bond Calls (Mid October & Mid April)**

SF I, II, XI Bond Calls (from Prepayments, XS Revenues, and XS Reserves) are calculated twice yearly by BOH and TRUSTEE in mid-October\* and mid-April\* using account balances once August & February monthly transfers are completed.

TRUSTEE enters Revenue, Prepay, Excess & Special Redemption account balances, regular principal & interest payments, PAC sinking funds and next period accruals into agreed upon formats. BOH confirms account balances, P & I and amounts available for call. BOH verifies next period accruals, calculates & enters PAC calls, calculates & enters bond calls, and reconciles (pre & post-call, post debt service) bonds outstanding. BOH allocates amounts to call for each serial and term bond and creates "Bond Recall" Report that is sent to TRUSTEE. BOH provides instruction to TRUSTEE when bond series with revenue shortfalls need transfers of additional funding to meet debt service after TRUSTEE verification.

To meet Redemption Notice deadlines, all series will be prepared so redemption notice can be sent not less than 30 days prior to redemption. TRUSTEE will prepare call numbers in an agreed upon format by April 12 and October 12.

BOH will complete review and bond call and provide TRUSTEE with Bond Recall Report by April 25 and October 25 in an agreed upon format.

#### Redemption Notice Periods

SF I - Not less than 15 days nor more than 60 days before redemption date (3.04 Indenture Sect.)

SF II - Not less than 30 days nor more than 60 days before redemption date (3.04 Indenture Sect.)

SFXI - Not less than 15 days nor more than 60 days before redemption date (3.04 Indenture Sect.)

\*Debt Service/Bond Call cycle: June 1 DS/Bond Call is made from amounts accumulated in Revenue/Prepay/Special Redemption Accounts during September through February. December 1 DS/Bond Call is made from amounts accumulated in Revenue/Prepay/Special Redemption Accounts during March through August. Computation dates for Bond Calls and XS account balances are performed about 6 weeks after February or August so those months can be reconciled and closed for the various accounting systems and final balances are available.

### **Single Family Indenture Annual Reports**

#### **Purchased Loans - 6.06(b)**

BOH will provide to TRUSTEE a report of loans purchased during the fiscal year (July 1 to June 30) containing the data described in the indenture. The report will be sent before the end of September.

#### **Cash Flow Certificates – SFII 6.09 (8<sup>th</sup> Amending Supplemental Indenture) SFI & XI 6.10**

BOH will file a Cash Flow Certificate within 60 days after June 1 if a certificate has not been filed in the prior year. Currently, BOH's underwriter, Royal Bank of Canada (RBC), creates the reports.

#### **Annual Budget - SFII 6.10**

BOH shall prepare and file an annual budget for the fiscal year by August 29th.

#### **Annual Audited Financial Statements SFII 6.11(c) SFI & XI 6.12(c)**

BOH will provide to TRUSTEE annual audited financial statements for the fiscal year (July 1 to June 30) containing the data described in the indenture. The report will be sent when BOH auditors release an opinion and grant distribution of the report.

#### **Single Family Bond Issuance (As needed)**

In advance of the issuance of a new bond series, TRUSTEE will provide the account numbers that will be needed for the new series. BOH and TRUSTEE will work together to set up accounts according to established naming conventions.

TRUSTEE will enter in any transfer of funds in regard to the Bond issuance in a timely manner based on bond closing documents and letters of authorization from BOH. BOH will prep the letters and get them to TRUSTEE in time to complete the confirmation and transfer of funds in a timely manner.

TRUSTEE will participate in the Bond issuance conference calls as needed.

Provide clearing accounts in each indenture in the combined revenue series.

Issue reminders of acquisition period expirations at least two months prior to expiration.

UCC filings – request of Luxan and Murfitt and or file directly upon notification to BOH.

**Other duties Trustee performs for MBOH:**

- Contracts with BLX for arbitrage calculations on our behalf yearly and for series refundings.
  - Payment to BLX for calculations based on invoices and direction from MBOH.
- Bi-annual billing for trustee accounts right after debt service (June and December).
- Yearly payment of NIBP bonds based on invoice from US bank and direction from MBOH.
- Bi-weekly purchasing transfers, wire disbursements and SRP disbursements as directed by BOH.
- Bi-weekly check in calls to discuss issues or upcoming work.
- Secure website to download daily data transmissions. We currently get daily data transmissions from Trustee that upload directly into our CM and IV modules. These transactions include information on cash deposits, investments, interest earnings, transfers and other transactions impacting our accounts.
- Secure website to upload and download sensitive information (letters) with limited access which takes the place of verification of information. (CTS Link)
- Secure website to download account information with limited access including but not limited to:
  - Monthly statements for each account
  - Yearly statement for each account as of 6/30
  - Daily deposit statements for each account
  - Account balance reports
    - Investments (cash and long term assets)
    - Transactions
- Deposit funds wired by servicers into correct accounts based on pre-generated remit sheets.
- Notification of wires received with no pre-generated advice.
- Investments:
  - Provide investment information upon BOH request regarding amounts and term.
  - Buy, sell, or transfer investments upon receipt of signed directions.
  - Set up cash sweeps to automatically capture interest earned and transfer to correct accounts per indenture
  - Weekly collateral notices regarding GICs
  - GIC management (i.e. maintaining adequate collateral per our contract).

Things to think about if we transfer our accounts:

1. We currently get daily data transmissions from Trustee that upload directly into our CM and IV modules. Do they already have clients with Emphasys or will we need to work with Justin/AOD to get these transmissions formulated correctly?